

**BAKER BOTTS L.L.P.**

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*Counsel for Defendants*  
*Chicago Bridge & Iron Company N.V.,*  
*Philip Asherman, Ron Ballschmiede and*  
*Westley Stockton*

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

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IN RE CHICAGO BRIDGE & IRON	)	<b>CASE NO. 1:17-CV-1580</b>  Hon. Lorna Schofield
COMPANY N.V. SECURITIES	)	
LITIGATION	)	
	)	

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**MEMORANDUM OF LAW IN SUPPORT OF DEFENDANTS'  
MOTION *IN LIMINE* NO. 7**

Defendants Chicago Bridge & Iron Co. N.V. (“CB&I”), Philip K. Asherman, Ronald A. Ballschmiede, and Westley S. Stockton submit this Memorandum of Law in support of their Motion *in Limine* No. 7 to preclude any reference to or comment about the May 2018 merger between CB&I and McDermott International, Inc. (“McDermott”) or McDermott’s January 2020 bankruptcy, including any reference or comment suggesting or insinuating that CB&I’s February 2013 acquisition of The Shaw Group (“Shaw”) and/or Shaw’s Nuclear Projects precipitated McDermott’s bankruptcy.

As the Court knows, this lawsuit centers on statements regarding CB&I's accounting for its February 2013 acquisition of Shaw, CB&I's subsequent accounting for two Nuclear Projects that were part of the Shaw acquisition, and the performance of those Nuclear Projects before CB&I's October 2015 announcement of its agreement to divest the nuclear business it had acquired from Shaw. All of the challenged statements were made during the October 30, 2013 – June 23, 2015 class period, and Plaintiffs allege that the so-called “truth” regarding the challenged statements emerged no later than June 2015.

Almost three years later, in May 2018, CB&I was acquired by McDermott and merged with and into Comet II, B.V. (“Comet”). Almost two years after that, in January 2020, McDermott and its affiliates, including Comet, filed for bankruptcy protection in the Southern District of Texas under chapter 11 of title 11 of the United States Code. *See In re McDermott Int'l Inc.*, No. 20-30336 (Bankr. S.D. Tex.). At that time, McDermott faced a severe lack of liquidity due to a confluence of factors unrelated to the long-since-divested nuclear business. *See, e.g.*, Ex. A, Decl. of David Dickson in Support of Ch. 11 Pets. ¶ 13, *In re McDermott Int'l Inc.*, No. 20-30336 (Doc. 29) (Bankr. S.D. Tex. Jan. 22, 2020).

McDermott's acquisition of CB&I and subsequent bankruptcy—more than four-and-a-half years after the end of the class period in this case—are not relevant to the allegations and challenged statements at issue in this lawsuit. The acquisition and bankruptcy, and the facts related to them, have no tendency to make the existence of any material fact more or less probable than it would be without the evidence, and references to the acquisition and bankruptcy would unduly prejudice and prevent Defendants from receiving a fair trial. FED. R. EVID. 401, 402, 403.

Dated: December 13, 2021

Respectfully submitted,

**BAKER BOTTS L.L.P.**

By: /s/ David D. Sterling

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